The MORTGAGE BANKER

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What the War Means to Current Mortgage Banking as I See It

This banker member analyzes various factors and concludes that mortgage investments are as safe now as any

By **COWLES ANDRUS**

MY title says the *current* market. To employ a play on words, perhaps there has never been so much emphasis on *current*. There is a market, but where the current of events is to carry it is more problematical than at any time in the experience of most of us. It is our estimate of the future that determines the current mortgage market.

Maybe we can take a leaf from the military pages of this war. Based on the experience gained from other wars, modern defenses against expected future aggression were set up before 1939. The Maginot line was to prove invincible. To be sure, it wasn't breached, it wasn't even assaulted in force but it was outflanked. Singapore has fallen. Its defense was conceived along the lines thought sound from past experience. It was assumed 200 miles of jungle behind it would protect it at one side, and sound coast defense would save it from the logical assault from the sea. But the jungle's protection proved a snare and a delusion.

So in the mortgage business we try to estimate the dangers of the future and to build our defenses against them. We can foresee certain dangers because experience has taught us they exist, and we can fairly well prepare defenses against them.

However, because of the nature of this war and its confused "economy," may there not be new and unexpected manifestations of the old proven dangers? Are we not in some danger of being outflanked? Is there some air power in a mortgage risk sense just down the months or years on which we have not yet reckoned?

THE author of this article is seeking the same answer we are all looking for these days—what is the shape of things to come in our field? He does not try to gild the lily but takes the most realistic view of the problems we must face. But his conclusions are ones of hope and encouragement for the future. He is Vice President of the Passaic National Bank and Trust Company of Passaic, New Jersey, and has contributed articles before to these pages.

We don't know, of course, but we should try to surmise.

Every war has been accompanied by the certainty of fewer able-bodied men being productively or gainfully employed. In spite of the "all out" industrial effort accompanying this war, which will transcend anything heretofore known, this factor will prove increasingly important as our military forces swell from the present 2¼ million to 7 million, perhaps 10 million armed men. And how many will be required simply to service these necessarily non-productive members of our society? Who knows, but it is a certainty it will call for multitudes who are now otherwise beneficially and gainfully employed and probably at better salaries and wages than can be paid for the pseudo-military functions of procurement, inspection, etc.

Thus, while war may lessen unemployment, it is my opinion this war will, more than any other, increasingly reduce the number of home owners receiving compensation sufficient to induce them to maintain their mortgages in good standing; and there is little about it to induce prospective new home owners to undertake mortgage financing in acquiring a home.

Every war, while in progress, lessens demand for permanent homes. Though marriages increase, doubling up of fami-

lies increases even more rapidly as the military establishment is swelled. In this war I believe this tendency will be accentuated. First, as I said before, our men will be taken from home as never before. Second, we have already witnessed an unprecedented migration to defense industry centers, resulting in increased demand for rental housing, or such low monthly cost homes that we think they may be abandoned when the reason for living in proximity to the plants may terminate. Third, this war confronts us for the first time with a tire shortage, and may extend to an oil or gasoline shortage, resulting in transportation dislocation which will necessitate further grouping at the industrial locations. Fourth, we have the government in defense housing, which is rental housing, in a big way.

Surely no war in which any people has engaged has been approached with such grandiose plans for the expenditure of the individual's savings and income for purposes related solely to the prosecution of the war as has this one insofar as the people of the United States are concerned.

First, we have a practically all inclusive, as to persons, income tax of mounting proportions.

Second, it seems most likely that incomes will be taxed at the source, in what may prove a sizeable percentage.

Third, the urge to acquire defense bonds, somewhat at the expense of mortgage reduction, is not unlikely under existing circumstances.

These factors do not augur well for mortgage experience during the conduct of a protracted war.

The current market has to be based on estimates projected beyond the period of hostilities. What is the outlook?

See great demand for single family houses after the war

The favorable features seem to be that this war will prove no exception to the rule of wars, that marriages, and therefore prospective home-owner groups, are accelerated. In spite of the mounting cost of living, enforced saving in defense bonds to finance the war will find many at its end with funds which they may use to acquire homes. Further, the tendency to double up with relatives will be reversed, and independent homes will again be sought. Again, during the war single family residential construction will virtually cease, accumulating a potential demand for construction of new homes at war's end.

In some measure offsetting these favorable possibilities we must consider that in this war our physically able male population may be reduced in percentage as in no war we have known since the Civil War, which would lessen the immediate demand for separate homes.

Will the U. S. underwrite world's rehabilitation?

Further, may not the taxes imposed to continue paying for the dead horse of the war effort, and to meet the possibly vastly increased charges for caring for our disabled veterans, and to defray the expenses of what may be deemed another necessary period of "artificial respiration" in the form of federal public works projects—may not the combination of these elements continue taxes in such proportion as to tend to discourage home ownership? Additionally, we have the new conception of the need for the United States after the war to underwrite by United States taxation rehabilitation programs in many quarters of the globe.

And the mortgage moratorium—will not that be with us? Perhaps in a form to benefit the mortgagee in some instances, or certain types of mortgagees; but perhaps not equally favorable for some types of investors in mortgages. The probable effects of invoking the Soldiers and Sailors Relief is in itself a subject for an entire issue of *The Mortgage Banker*, but suffice to mention here is the suggestion that the FHA guarantee the investor interest at the debenture rate without foreclosure being started would save many a soldier later absorption of the greater part of foreclosure costs.

Certain investment authorities are recommending that anyone charged with the responsibility for safeguarding assets of others as trustee for the same should seriously consider the conversion of some part of the assets of a trust into mortgage ownership. Why? Because of fear of inflation? As a hedge based on the basic, fundamental value of a piece of land with or without improvements.

I do not take issue with the contention, but surely the mortgagee holding other than fixed, non-amortizing mortgages without a prepayment clause, may find his mortgage paid off in radically cheaper dollars if the investor's fear of inflation were to be realized, so this hedge may well be subject to trimming. In my opinion it is the mortgage secured by moderate rental income property that will prove to be the hedge—and a two-fold hedge at that, against either inflation or post-war depression.

To the banker who must do the best he can to meet changing conditions, it points to a highly *selective* mortgage market insofar as his investment is concerned. Certainly some areas have danger signals up now. There has been overbuilding already, in terms of peace time—overbuilding accomplished to the detriment of already existing properties thus reducing them to a rental property status. They will probably be the first to suffer when readjustment becomes necessary at the end of the war.

Surely, too, some construction has not and will not warrant long term financing, insured or otherwise. It is equally apparent, and in some cases will become increasingly apparent, that in certain areas Uncle Sam is destined to become so preponderantly the landlord when this blow is over that no prudent mortgagee is going to enter the inevitable competition. The old East has handed down to us a saying—"He who can live in the desert, belongs there." True in the mortgage field too, isn't it?

"Is this logically a premium market?" asks the banker

In this vein the banker asks, "Is this logically a premium market?" The law of supply and demand necessarily properly dictates whether a premium market exists or not; but surely past experience and a sober estimate of the future must sooner or later dictate that demand must be based more on worth than on mere availability. Further, mortgage income is not so high that yield can be cut appreciably by acquisition costs, confronted as mortgagees are by probable increased delinquency and almost certain foreclosure experience beyond that contemplated when, during peacetime, today's portfolios were accumulated.

As a banker, I think every bank that has an appreciable portion of its total

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CHARLEY MULLENIX GIVES YOU A FULL REVIEW OF RENT CONTROL AT THE CLINICS

The MORTGAGE BUSINESS *in* COLUMBUS, OHIO

The fourth of a series of articles on mortgage banking in American cities

By WM. P. ZINN

REAL estate activity last year in Columbus closed with the greatest volume of mortgage loans, new construction and general real estate business since 1928.

A report of new construction for the year shows 4347 permits issued for a valuation of $14,116,665 of which $10,448,000 was for dwellings. In 1928, the peak year, permits were issued for $16,239,250.

Columbus was designated as a defense area and a large volume of this construction is now under way and much of it has been completed, financed under Title VI. A substantial amount was also built under Title II. Apartment houses and the more expensive single houses were financed by private capital, insurance companies and the building and loans. Very few double houses or duplexes were built, the multiple dwelling trend being toward 4-family units as producing the best investment return.

Columbus has eight national and savings banks with total resources exceeding $240,000,000, yet only one bank is soliciting mortgage loans and it is financing no new construction. The building and loans of Columbus, with total resources of approximately $75,000,000, have been financing about 50 per cent of the new construction, with the remainder being financed by insurance companies through their local representatives.

Of the above, FHA mortgage loans accepted for insurance in 1941 far exceeded all other combined conventional classes of mortgage loans. During the past year, the local FHA office accepted for insurance over $11,500,000 of loans in Greater Columbus. This represents about 3 per cent of the total tax duplicate of Columbus. Only a relatively small amount of this FHA financing is held locally, the large proportion being held by insurance companies with home offices in Ohio and elsewhere, and national and savings banks elsewhere in Ohio.

The local prevailing rate of interest is 5 per cent with one local institution reporting a satisfactory volume at 6 per cent, mostly on dwellings. Well-located and particularly desirable mortgage loans representing less than 50 per cent of appraised value are commanding interest rates as low as 4 per cent through local building and loans as well as insurance companies.

The construction of small frame single houses of $5,000 or less to meet housing requirements under the defense program, as well as other residential units of greater value, has not exceeded requirements. Neither has commercial and industrial building exceeded requirements, this expansion being rather along conservative lines. Construction of other residential types has not been confined to any section of the city because it is controlled by the City Planning Commission.

Columbus is not dominated by any one large industry but has many diversified industries.

This condition, augmented by a steady income from local, state and federal government agencies, combined with that of the several state institutions located in or near the city as well as revenue produced by Ohio State University with an enrollment in excess of 12,000 students, does much to stabilize the economic structure of the city.

Nevertheless, construction and housing requirements have kept apace with the natural growth and development of the City without exceeding local consumption or reaching the stage of over-development. This highly favorable economic condition affords an unusually strong background for the security of real estate mortgage loans. This is recognized by mortgage loan investors and has resulted in Columbus loans being in high demand.

Remarkably enough, local real estate taxes have shown a slight decrease during the last eight years, largely because of the efforts of the local real estate board. With a large increase during these last few years in the tax duplicate, a further slight reduction in the tax rate is thought possible. Real estate tax collections are reported better during the last several years, with delinquencies greatly decreased. This might be partly attributed to the many recently popular mortgage loan plans which include taxes and assessments in the monthly payments and the requirement that all tax delinquencies and assessments be paid before a new loan can be completed.

The local mortgage field has recently been active, more so than for five or ten years, for in addition to the insurance companies which have been represented in Columbus for many years, eight insurance companies have established local representatives during the last few years. All of the major insurance companies have mortgage loan connections in Columbus, some being directly represented by salaried company personnel, actively bidding for the local mortgage loan production.

Columbus, like all other cities, has its district of blighted areas. Many of the older buildings in the twilight zone surrounding the immediate downtown district are being razed and the land converted into parking lots.

Traffic has become a problem for all metropolitan districts and Columbus is no exception. The principal arteries have been improved and widened in an effort to facilitate traffic movement. New boulevards, bridges and overhead crossings have been built to accommodate the newly developed sections within the city limits and the suburban area adjacent.

A recent survey made by the Columbus Real Estate Board shows an exceptionally low percentage of vacancies in

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Life Company Lending Policies in Wartime

The president of The Guardian Life Insurance Company of America tells you what he sees ahead for lending

By JAMES A. McLAIN

THE subject of this piece, *Life Company Lending Policies in Wartime,* is one on which I am afraid I am neither qualified nor authorized to speak. The industry I represent has never delegated a single spokesman to present it to the public, and each and every unit in the industry has ever had an individual investment program, designed to meet the particular needs of the company, the investment ideas and experiences of its managing officers and directors within the framework of the laws of the state where it is domiciled.

While there are many points of similarity in the resultant investment program, there always has been—and I hope there always will be—numerous divergent attitudes which insure constant research, study and analysis of every channel of legitimate investment. This is a not inconsiderable contribution made by the life insurance industry to the investment field which would be of necessity restricted in scope were uniform investment programs followed by all companies.

If I read the signs correctly, for the duration new conventional residential loans are "out"—as dead as the "do-do" —and this applies equally to apartment loans and almost as completely to conventional commercial loans. That does leave for discussion here the refinancing of existing loans, to be true—and also what may come to be a rather important field —the sale of blocks of loans now in the hands of institutional investors who may become desirous, for several reasons, of liquidating a portion of their mortgage portfolio.

What of the possibility that because of other demands of varying kinds, mortgage lending by life companies may be greatly restricted for the duration? If this should result, there seems little point in tackling this subject at all—and especially since there are some rather convincing straws in the wind which may indicate that when conventional loans (and particularly residential loans) will again be made in volume they will be originated and serviced, not by mortgage bankers as we now know them, but by an old competitor whose strength and activity in the mortgage field gives promise of still greater expansion in the future. But more of this a little later on.

THIS is the address that many of you heard at the Chicago Conference and Mortgage Clinic and many others have asked to read in print. If you heard it, you will, we think, find it an entirely new experience by reading it. It is a stimulating piece of thinking and expression and a real contribution to a mortgage man's current knowledge of what is going on about him and what may lie ahead.

This is wartime. Our total resources of men, money and machines are pledged to the successful prosecution of this war. We are engaged in a fight for freedom. Definitions of freedom can be enunciated by any speaker before any audience, but here is a definition by an 18-year-old girl, Hazel Parker, which if you have not heard, deserves a few seconds of reading time:

"You cannot say what freedom is, perhaps, in a single sentence. It is not necessary to define it. It is enough to point to it.

"Freedom is a man lifting a gate latch at dusk and sitting for a while on the porch smoking his pipe, before he goes to bed.

"It is the violence of an argument outside an election poll; it is the righteous anger of the pulpits.

"It is the warm laughter of a girl on a park bench.

"It is the rush of a train over the continent and the unafraid faces of people looking out of the windows.

"It is all the howdys in the world.

"It is Pegler telling Roosevelt how to raise his children; it is Roosevelt letting them raise themselves.

"It is Dorothy Thompson asking for war; it is General Hugh S. Johnson asking her to keep quiet.

"It is you trying to remember the words of our national anthem.

"It is a man cursing all cops.

"It is the absence of apprehension at the sound of approaching footsteps outside your closed door.

"It is all the things you do and want to keep on doing. It is all the things you feel and can't help feeling.

"Freedom—it is you."

And here's how one of our big corporations says the same thing:

"What are we fighting for?

"The right of a man to stand on his own two feet, and with his own hands and talents carve out a place for himself and his family.

"The right of a woman to look hopefully ahead, to raise up her brood in dignity and self-respect, undictated to save by her own mother-wisdom and conscience.

"The right of a boy to lead the hale, free life of boys, flying kites when the wind blows, playing cops and robbers when he wants, going to school when he must—and out of it all somehow shaping a future to a good pattern.

"The right of a small child to its chance for health and love and laughter, to a good start toward who-knows-what fine and useful life in years to come.

"Simple things, aren't they, these things that spell America and add up to freedom!"

With those definitions before us, let me now come back to the matter at hand. Were I authorized to do so I would say here that the investment program of the life companies of this country, for the duration, could be described by three dots and a dash—a "V." Of this, from my point of view, there can be no doubt.

Life insurance contributes in many ways to stability

How can the life insurance industry contribute to the war economy? Just a few weeks ago I opened my annual report to Guardian policyholders by stating:

"As an industry, life insurance makes a real contribution in at least four ways:

"1: Directly — through the purchase of securities issued by the United States, thereby supplying the sinews of war.

"2. Indirectly—through the financing of various corporate and individual enterprises providing the industrial production upon which success in modern war largely depends, and of housing for those engaged therein. The government is thereby relieved of the necessity of financing these operations.

"3. Directly—through furnishing both trained and untrained manpower for active military and naval service; and

"4. Directly—through the use of its trained sales organizations, with representatives throughout the entire country, to help in the widest possible distribution of defense bonds."

The first two have application to my observations here.

To demonstrate the changes which have taken place in the investment program of life insurance companies in the past decade, let us look at the asset distribution of our life companies at the end of 1931. Then 38.4 per cent of all assets were mortgages, with farm mortgages accounting for 10 per cent; United States government bonds amounted to 1.9 per cent; state, county and municipals and foreign governments totalled 6.4 per cent; corporate bonds and stocks 29.3 per cent; policy loans, 16.3 per cent; real estate, 2.8 per cent; cash and other assets, 5. per cent.

At the end of 1941, here was the picture: Mortgages had dropped to 19 per cent (with farm mortgages now representing only 2.7 per cent); United States government bonds had risen to 19.5 per cent; state, county and municipals totalled 8. per cent; corporate bonds and stocks, 33.1 per cent; policy loans, 8.7 per cent; real estate, 5.8 per cent; cash and other assets, 5.9 per cent.

While a casual comparison of these figures shows the trend of the past decade, to indicate clearly the lending policies prior to our entrance into war, here is what took place in the twelve months ended November 30, 1941. The assets of all life companies increased about 5.8 per cent. Further investable funds arose out of net decreases in policy loans, real estate owned, state, county and municipal bonds held, and cash balances. The sums thus available for investment were then distributed 14.9 per cent in mortgages, 32.8 per cent in United States government bonds and 52.3 per cent in corporate securities.

Now we are at war. Let us look ahead. Premium income should continue to grow. Sales should continue in good volume as witness the experience in 1941 when, in a country at war for over two years, new sales in Canada last year were up around 15 per cent. The renewal rate on old policies should improve, as it will be impossible to replace existing insurance with new issues comparable as to terms and policy provisions. Income from new annuities and single premiums may decline, as companies are not anxious for this type of business under current conditions. It seems reasonable that the excess of income over disbursements will remain at approximately present levels. This sum, which roughly represents the increase in assets, together with maturing investments, is available for new investment. How will it be used?

More and more money to go into government bonds

In my opinion, an increasingly larger portion will go into government bonds, due not alone to our willingness to do our full share in subscribing to new issues, but also to an increasing scarcity of either new or refunding issues in the corporate market. There may be some increase in the demand for policy loans, possibly to make it easier for policyholders to meet income tax payments, to buy defense bonds, or merely to pay current premiums without resort to current income. This, however, should not greatly distort the overall picture.

It is likewise my opinion that the government will finance this war on a 2½ per cent—certainly no higher than 2¾ per cent—interest basis. With most outstanding policy contracts on a 3 per cent or higher interest basis, many companies will continue to be interested in investing a reasonable proportion of their funds in channels which normally yield more than what I believe Government's will produce during the war.

Private enterprise should be given a fair chance

For a while it looked as though great industrial expansion would result in a fairly large volume of new corporate financing. Most of the new plants, however, are being financed by the government. To that there may not be much objection if the operation is properly a temporary war risk—although as Colonel C. B. Robbins, of the American Life Convention, said before the Chicago MBA recently, federal "agencies for the lending of money have multiplied so rapidly that there is hardly any phase of American business activity . . . which is not eligible for loans from our federal government out of taxpayers' money."

There can be no doubt but that the government, prior to this war, had become an active and serious competitor in the money lending field. Except for the assumption of pure war risk, here is one of the newer concepts of government that should be soft-pedalled or discarded until we win this war. Then, if private capital has failed to perform satisfactorily, the government may resume its competitive practices.

This brings me to mortgage loans and real estate. I believe the life companies should remain as active in this field as they can; that it is wise and prudent for them to do so, even under rapidly changing conditions, and even if the volume of business must come largely through loans insured by FHA under Title VI and extensions of the Act now under discussion.

Conventional residential loans are rapidly drying up. I recommend that mort-

W. A. CLARKE DISCUSSES SOLDIERS AND SAILORS ACT AT APRIL CLINICS

gage bankers be on the alert to assist local institutions in disposing of existing mortgages when necessary on account of heavy cash requirements because of withdrawals by individual customers to purchase defense bonds. It may also be possible to bring together a defense contractor and an owner of real estate who is willing to develop that real estate for the use of the contractor. If in such cases leases can be arranged to run for five or ten years, during which the building can be largely amortized, funds for such operations should be quickly available from life companies. But all of these sources will not yield much in volume—so for our final discussion we must come back to FHA, Title VI's and property to be insured under additional amendments.

From an institutional investor's standpoint it should be observed that Title VI projects may not be sound from every concept. The advantages of owner-occupied property over rental property have been established over the years. Defense housing, because of plant and job priority and to provide for the migratory labor needed on many defense jobs, must ignore excess housing now available in other locations.

Thinks life companies must buy share of Title VI's

Now let's be practical. The government says this housing is needed. If no one will provide it, the government will be forced to do so. It seems to me that life companies should finance their fair share of Title VI's or insured mortgages under further amendments, from several angles. First, to furnish quickly housing badly needed now; second, to make an indirect contribution to the war economy; and, third, to indicate that private capital is interested in outlets and that we in life insurance are sufficiently flexible to move into a field with obvious risks as long as adverse final results may be fixed within reasonable limits, and, finally, to assist our correspondents.

I am increasingly concerned about mortgage loan correspondents—not necessarily for the war period—but thereafter. Let's look at it from two angles of what may happen. With the FHA insurance, post war experience may be very satisfactory and we may then be buying FHA's largely in bulk ignoring source, selectivity, et cetera, and depending upon the insurance feature and the favorable group experience as then proven. On the other hand, after the war large blocks of properties may be turned over to the government in exchange for debentures. In that event, future management policies may ignore past managers of the property—may, in fact, become somewhat of a political football. If this happens, the sale of new FHA's will be on different terms and volume. And, in probably both instances, new volume will come from pent up demand in other sections of the mortgage field.

Have you been thinking at all that mortgage lending in the future may be conducted through very different channels? That new habits may be created among borrowers—that other investment channels, say, commercial banks, with mounting costs and reduced profits from present business, may be tempted (and some have already fallen, and most successfully) into the mortgage lending field? What then?

These questions are not raised to alarm you. There can be no doubt that we all face real and vital problems—problems that can be solved, in my opinion, if we keep alert, exhibit flexibility in our management policies, and above all else, keep working in high-spirited fashion. These are times for courage and good spirits. While I don't sense any particular need for morale building in MBA, a friend of mine recently gave me a prescription for high morale in the days ahead which, while very foreign to my old habits, I would like to pass along to you, with some temerity.

Read the first eight verses of 31st chapter of Deuteronomy—and the whole first chapter of Joshua:

"Only be thou strong and of good courage"

"Have I not said unto you, be strong and very courageous"—

"Be not afraid of them; fear not; neither be thou dismayed."

WHAT THE WAR MEANS TO MORTGAGE BANKING

(*Continued from page 2*)

deposits represented by time deposits should own some well-selected mortgages. If they aren't owned it would probably pay to buy some if they can't be originated and for such institutions, acquiring their mortgage portfolios at a premium is wholly logical. If a bank *has* a portfolio of mortgages, the question is quite different.

Bankers are, very properly, cautiously weighing the advantages and disadvantages of increasing their mortgage investment until the balancing of increased total national income on the one hand, and on the other hand, of increased taxes and enforced savings in the form of government bonds rather than savings accounts (or life insurance premiums, if I may invade that great field of investors for one sentence) is translated into net deposits. The net result may be a very happy one for bankers but it is too early to draw a conclusion.

But, as a banker, it is my considered opinion that reasonable mortgages on the homes of citizens of the United States will continue as sound an investment of funds as can be found for home ownership will continue in some form because it will be made practical by necessary legislation. We may not now visualize exactly the features of the economy within the life of some mortgages we are writing today, but as long as our national ideology embraces the family unit there will be need for homes; and as long as we have finance as a private enterprise, we can expect home financing to be a part of it. Without either, bankers would have no concern, as such, for they would be non-existent.

After all, what are we in the war for if it isn't to protect the principles of the home and of free enterprise?

So the future of mortgages as a medium of investment is as secure as any. This view is taken not as a banker but as an American, for it is as Americans that we are fighting for these essentials to civilization as we know it.

BUSINESS IN COLUMBUS, O.

(*Continued from page 3*)

residential units, being 2.02 per cent, but at no time has a shortage of either living or business units been acute. Rent schedules of residential units in Columbus have increased less than 10 per cent during the last three years and office building rentals have shown practically no change during that time. While there

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APRIL 1, 1942

Edgewater Beach Hotel, Chicago, to Be Scene of the 1942 Convention of MBA

Chicago—a long-time favorite convention city for MBA members and other organizations as well—will again be the scene of another MBA annual meeting. The 1942 MBA Annual Convention will be at the Edgewater Beach Hotel in Chicago September 30 and October 1 and 2, President Frederick P. Champ announces.

Several reasons prompted the decision, but one of the most important was the desire to make attending the convention as easy and convenient as possible for the most people. That desire pointed to one answer — Chicago, because of its complete rail connections from all points and its central location.

The Edgewater Beach Hotel was selected because we found we could secure here the best hotel accommodations anywhere at no more than is asked for medium-grade facilities. The Edgewater Beach Hotel is one of the great hotels of the world. It is large, spacious and particularly designed for fine living. For a convention it has no peer anywhere. MBA members can plan to attend the convention this year with full assurance of an interesting meeting—and, we believe, at less expense than in previous years.

Plans for the meeting naturally aren't very far along yet but here are some preliminary thoughts of the Program Committee headed by Charles A. Mullenix, MBA vice president. General sessions will be held on Wednesday and Friday at which not more than two speakers will appear at each one.

The Board of Governors dinner will be combined with the dinner for insurance company representatives. There will be a luncheon—possibly two—for bank representatives in charge of H. R. Templeton of Cleveland. Thursday will be devoted to Clinics exclusively. The stag party on the opening evening will return to the pattern of those of 1940 and earlier years — toastmaster, entertainment, speaker, etc. (As a matter of fact, the toastmaster has already been invited and has accepted. He's one of the best we have ever heard but it wouldn't be fair to tell his name this early.)

TO BOWL OR NOT TO BOWL

Organization of one or more bowling teams recruited from members is one of the projects now under consideration by the Chicago MBA for Fall. Members have been sent questionnaires, replies to which will determine final action. If sufficient interest is shown, a women's league will also be formed. Harold F. Yegge is chairman of the program committee sponsoring the idea. Also included are H. R. Goodwillie, T. H. Golightly, E. A. Howard, H. W. Kennedy and Wilbur F. Pilgrim.

BUSINESS IN COLUMBUS, O.

(*Continued from page 6*)

has been an increased demand for industrial and warehouse buildings, rentals for them have shown no marked increase.

Employment and business conditions are greatly improved in Columbus and with the residential building program already under way and contemplated, even with the completion during the last year of the local Curtiss Wright Corporation plant with an expectancy of 12,000 employees at peak, there is no anticipation that there will be any shortage of housing accommodations.

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The author is president of Wm. P. Zinn & Co. and was active in organizing the new Columbus MBA Chapter.

The Mortgage Banker which has been published semi-monthly for more than four years will be published monthly beginning with this issue.

Three Big Clinics in April

Los Angeles, Biltmore Hotel..............April 3-4
Dallas, Baker Hotel..................April 10-11
New Orleans, St. Charles Hotel..........April 13-14

As this issue goes to press, first reports from MBA's big Western tour indicate that the regional meetings and Conferences and Mortgage Clinics are meeting with great success with heavy attendance. Plan to attend the April Clinic nearest to you. The May tour includes:

Philadelphia..........................May 1-2
Atlanta...............................May 4-5
Cleveland.............................May 11-12

MBA's Membership Drive So Far This Year Is Best of Any on Record

Despite the war and the resistance it might be expected to create, MBA's 1942 membership campaign is ahead of all previous years. More new members have been admitted so far this fiscal year than in any comparable period and the total membership is now at the highest on record. Added to that is an even more favorable showing in withdrawals. So far this year, there have been less than a dozen resignations, all but one or two of which were caused by special circumstances such as change of business activities.

C. Armel Nutter, Camden, N. J., heads the membership group this year and has laid out a comprehensive system for presenting MBA to prospective members. This plan is working successfully and it appears this year will be a record one for new additions to our rolls.

MBA is also being introduced into sections where we have had no members before. Recently we admitted our first member in Wyoming and progress is being made in Nevada and Arizona* where MBA is not now represented. MBA is also being presented in a systematic way to certain groups such as the title companies. Recently McCune Gill, St. Louis, made a complete presentation to a large group of these institutions.

On December 15th, we published the names of members admitted last September. Here are those admitted at the February Board of Governors meeting. Since then many applications have been received which will be acted on in June. Here are those admitted in February:

F. H. Beam, vice president, The National City Bank of Cleveland, Cleveland.

Elmer F. Striepeke, manager mortgage department, Commonwealth Trust Company of Pittsburgh, Pittsburgh.

George F. Rambour, Jr., vice president, Becher, Hockenberger & Chambers Co., Columbus, Nebraska.

W. Braxton Ross, vice president, Morrison & Morrison, Inc., Denver.

Joseph N. Gorson, president, Fidelity Bond and Mortgage Company, Philadelphia.

Edwin Crane, Market Street Title Abstract Company, Camden, New Jersey.

Kenneth King, president, King Mortgage Company, Denver.

Earl Linn, vice president, The Weitz Investment and Realty Co., Des Moines.

Richard Hadley, The Casper National Bank, Casper, Wyoming.

F. A. Krue, Jr., president, Frank Krue & Company, Detroit.

F. M. Petree, Home Mortgage Company, Oklahoma City.

Douglas G. Swale, vice president, The First National Bank of Mason City, Mason City, Iowa.

E. H. Lougee, Council Bluffs, Iowa.

John H. Kunckle, president, Union Title Guaranty Co., Pittsburgh, Pa.

Willis N. Coval, president, Union Title Co., Indianapolis.

H. K. McIver, Commerce Investment Co., Portland, Oregon.

Russell A. Furr, president, L. M. Brown Abstract Company, Indianapolis.

H. A. Kenan, president, Lawyers Title Company, Pittsburgh.

B. J. Frederick, president, B. J. & G. W. Frederick, Inc., Baltimore.

Harold Knox, vice president, Cole-Knox Mortgage Co., Pittsburgh.

Alexander Summer, Alexander Summer Co., Teaneck, New Jersey.

Ernest Gohrband, Portland, Oregon (Associate).

W. C. Morris, executive vice president, Stewart Title Guaranty Co., Houston, Texas.

H. J. Mendon, vice president, California Bank, Los Angeles.

Charles F. Ellery, vice president, Fidelity Union Trust Company, Newark.

Herman Altshuler, manager, Feist & Feist, Inc., Newark.

E. S. Kassler, Jr., president, The Kassler Mortgage Company, Denver.

James B. Turner, president, Provident Trust Co., Nashville.

Harry A. Taylor, president, Frank H. Taylor & Son, East Orange, New Jersey.

C. F. Kirschler, Jr., president, Provident Trust Company, Pittsburgh.

In this list of 30 new members, Pittsburgh holds first honors with five (from Pittsburgh also comes the good news of the organization of a new MBA local chapter — see *Local Chapter News, March 15th*).

Fred L. Aiken, general manager, Scott Mortgage Co., Pittsburgh, has been our one-man membership campaigner and gets the credit for the good showing in his city.

Denver also made a good showing, registering three new members. Aksel Nielsen, MBA's new regional vice president there, has been at work (he opened Wyoming for us, too, incidentally).

And while we are on the subject of members, on January 1st we made a survey which showed 582 active members, 26 associates and 33 local associations. (Since increased of course.)

Our membership was divided into six general classes, or rather, five with a sixth group composed of "all others."

Class	No.	Per Cent
Approved mortgagees	159	27.3
Life insurance companies	72	12.37
Banks doing a general banking business	59	10.13
Title companies	35	6.18
Savings and loan associations	8	1.36
Balance of membership	249	42.66

*An application from a large financial institution in Arizona has just been received. Thus another state will soon be opened to MBA.

MBA WILL DEFER PROJECTED SCHOOL FOR THE DURATION

Because of the war MBA has decided to abandon its plans for holding a training school this spring for young men in the mortgage business. This activity, which has been in charge of the Education Committee headed by Frank L. Wilkinson, president, Shryock Realty Company, Kansas City, had progressed to the point where final announcement of the project could have been made. However, at the February meeting it was the unanimous opinion of the board that it would be useless to undertake it now because so many of the younger men for whom the school was particularly designed were now, or would soon be, serving in the nation's armed forces.

Northwestern University would probably have been the scene of the school which would probably have been called the Institute of Mortgage Banking. All the principal phases of mortgage lending operation would have been covered in the course which would have been offered at a nominal fee.

It is an activity that MBA should certainly undertake as soon as possible after the end of the war, said President Frederick P. Champ.

"The work done by the Education Committee, and especially by Mr. Wilkinson, is one of the best examples of intelligent and capable Association cooperation I have ever seen. MBA is indeed indebted to this group."

Other members include Byron T. Shutz, Kansas City, liaison officer; H. R. Templeton, Cleveland; Gerald Hart, Denver; S. M. Waters, Minneapolis; and Byron V. Kanaley, Chicago. A group of life insurance company executives acted as a confidential advisory committee.

AT THE CLINICS: FRANKLIN D. RICHARDS, DEPUTY FHA COMMISSIONER, ON TITLE VI